

August 22, 2006

Mr. Karl W. Singer
Chief Nuclear Officer and
Executive Vice President
Tennessee Valley Authority
6A Lookout Place
1101 Market Street
Chattanooga, Tennessee 37402-2801

SUBJECT: BELLEFONTE NUCLEAR PLANT, UNITS 1 AND 2 - ENVIRONMENTAL
ASSESSMENT AND FINDING OF NO SIGNIFICANT IMPACT
(TAC NOS. MD1185 and MD1186)

Dear Mr. Singer:

Enclosed is a copy of the Environmental Assessment and Finding of No Significant Impact related to your request for withdrawal of Construction Permits CPPR-122 and CPPR-123 dated April 6, 2006, as supplemented by letter dated June 29, 2006. The proposed action would terminate the construction permits for Bellefonte Nuclear Plant, Units 1 and 2.

The assessment is being forwarded to the Office of the *Federal Register* for publication.

Sincerely,

/RA/

Douglas V. Pickett, Senior Project Manager
Plant Licensing Branch II-2
Division of Operating Reactor Licensing
Office of Nuclear Reactor Regulation

Docket Nos. 50-438 and 50-439

Enclosure: Environmental Assessment

cc w/encl: See next page

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Mr. Karl W. Singer
Tennessee Valley Authority

BELLEFONTE NUCLEAR PLANT

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UNITED STATES NUCLEAR REGULATORY COMMISSIONTENNESSEE VALLEY AUTHORITYDOCKET NOS. 50-438 AND 50-439BELLEFONTE NUCLEAR PLANT, UNITS 1 AND 2ENVIRONMENTAL ASSESSMENT AND FINDING OFNO SIGNIFICANT IMPACT

The U.S. Nuclear Regulatory Commission (NRC) is considering issuance of a letter terminating Construction Permit No. CPPR-122 for Bellefonte Nuclear Plant (BLN), Unit 1, and CPPR-123 for BLN, Unit 2, issued to the Tennessee Valley Authority (TVA, permittee). The facility is located about 6 miles East-Northeast of Scottsboro, Alabama, on the west shore of the Guntersville Reservoir at Tennessee River Mile 392, in Jackson County, Alabama. This action is in accordance with the permittee's request in a letter dated April 6, 2006, as supplemented by letter dated June 29, 2006.

ENVIRONMENTAL ASSESSMENTIdentification of the Proposed Action:

The proposed action is issuance of a letter that would terminate Construction Permit No. CPPR-122 for BLN Unit 1 and CPPR-123 for BLN Unit 2. Canceling construction of the existing facility and withdrawal of the construction permits is necessary in order to close out the existing BLN project. These actions also facilitate the consideration of other possible uses of the BLN site.

Because there are other ongoing activities on the BLN site (i.e., training centers for the Transmission Service Organization and the Tennessee Valley Public Power Association), and because the switchyard at BLN is utilized as a substation for system operations in the region,

TVA would not withdraw existing environmental permits or remove equipment associated with these other activities.

TVA would keep and maintain BLN in regulatory compliance. Compliance activities would include National Pollutant Discharge Elimination System permits, division monitoring reports, demolition permits, and air permits that are applicable to the entire site. These measures would continue as long as TVA has ownership of the BLN site. Maintaining and complying with these existing permits and regulations would ensure the stability of the site, until such time that TVA may decide, if or how the site would be alternatively utilized.

Because so much of the site will be maintained, the general activities associated with the redress of the site are relatively minor in nature. Most of the minor environmental impacts resulting from redress would be associated with removal of equipment or structures not identified as necessary for other site activities. Materials and structures removed would be above grade or in areas that have experienced substantial previous ground disturbance for the original construction of the plant. TVA currently plans to maintain such major components as the intake and discharge facilities, cooling towers, wastewater system, and transmission switch yards. The existing containment, turbine, and auxiliary buildings would not be demolished. The other structures not identified as necessary would be sold, taken apart, and removed from the site, abandoned in place, or demolished. Most of these structures are metal and wood warehouses located along the western portion of the site. Any unwanted construction material or waste associated with disposition of equipment and structures would be properly disposed of in appropriately permitted solid waste or other disposal facilities in accordance with pertinent federal, state, and local laws, regulations and ordinances, as well as TVA processes and procedures.

Equipment identified as unnecessary would have the power disconnected and would either be reused by other TVA facilities, sold for reuse, or abandoned in place. Such items may include, but are not limited to: valves, strainers, battery boards and chargers, transfer switches, vent fans, motors, cabinet panels, breakers, power systems, shop equipment such as lathes, air compressors, and dryers; as well as other miscellaneous equipment. Additional materials may include, but are not limited to items such as: piping, tubing, conduit, cable, instrumentation, and general construction materials. TVA would continue to conduct periodic site inspections to ensure that none of the equipment or materials are causing environmental, health, or safety problems.

Redress would involve the removal of diesel generator fuel and lube, or control fluids from the main turbine lube oil tanks, feedwater pump lube oil tanks, reactor coolant pump motors, control fluid tanks, and diesel generator lube oil sumps. Fuel and lubricant would be removed, and storage containers would be closed in accordance with all applicable federal, state, or local laws and regulations.

By letter dated June 29, 2006, the permittee stated that neither of the units can be considered a utilization facility as defined in 10 CFR 50.2. At the time that construction of the units was deferred, TVA considered Unit 1 to be 88 percent complete and Unit 2 to be 58 percent complete. At this time, neither reactor has the necessary structures, systems, or components in place to sustain a controlled nuclear reaction. Over the past several years, key components such as the control rod drive mechanisms for both Unit 1 and 2 have been removed from the site, which precludes the ability of the units to operate as nuclear reactors. The current condition of the plants does not allow operation; therefore, neither plant can be considered a utilization facility.

All special nuclear material was removed from the site, as verified in NRC Inspection Reports 50-438/92-05 and 50-439/92-05 dated August 21, 1992. The only radioactive material to be disposed of is from the removal of smoke detectors and exit signs from various buildings to be sold, demolished, or abandoned in place. Upon removal, these materials shall be sent to an NRC-approved recycler. Safeguards information has been shredded or removed. Fenced areas are currently under industrial-type security. The withdrawal of the construction permits will not release air pollutants, generate water pollutants, generate wastewater streams, or cause soil erosion. The BNL site is in an environmentally stable condition that poses no significant hazard to persons on site.

The Need for the Proposed Action:

TVA has terminated construction of both BLN Units 1 and 2. This action by the NRC would terminate the construction permits.

Environmental Impacts of the Proposed Action:

This administrative action would terminate the construction permits to reflect the fact that there are no longer utilization facilities under construction at the BLN site, and that the site has been adequately stabilized. Accordingly, the NRC concludes that there are no significant environmental impacts associated with the proposed action.

Environmental Impacts of the Alternatives to the Proposed Action:

As an alternative to the proposed action, the staff considered denial of the proposed action (i.e., the "no-action" alternative). Denial of the application would result in no change in current environmental impacts. The environmental impacts of the proposed action and the alternative action are similar.

Alternative Use of Resources:

The action does not involve the use of any different resources than those previously considered in the Final Environmental Statement for the Bellefonte Nuclear Plant, Units 1 and 2, dated May 24, 1974.

Agencies and Persons Consulted:

In accordance with its stated policy, on July 7, 2006, the staff consulted with the Alabama State official, Mr. Kirk Whatley of the Office of Radiation Control, Alabama Department of Public Health, regarding the environmental impact of the proposed action. The State official had no comments.

FINDING OF NO SIGNIFICANT IMPACT

On the basis of the environmental assessment, the NRC concludes that the proposed action will not have a significant effect on the quality of the human environment. Accordingly, the NRC has determined not to prepare an environmental impact statement for the proposed action.

For further details with respect to the proposed action, see the permittee's letter dated April 6, 2006, as supplemented by letter dated June 29, 2006, and TVA's Final Environmental Assessment dated January 30, 2006. Documents may be examined, and/or copied for a fee, at the NRC's Public Document Room (PDR), located at One White Flint North, Public File Area O1 F21, 11555 Rockville Pike (first floor), Rockville, Maryland. Publicly available records will be accessible electronically from the Agencywide Documents Access and Management System (ADAMS) Public Electronic Reading Room on the Internet at the NRC Web site, <http://www.nrc.gov/reading-rm/adams.html>. Persons who do not have access to ADAMS or who encounter problems in accessing the documents located in ADAMS should contact the

NRC PDR Reference staff by telephone at 1-800-397-4209 or 301-415-4737, or send an e-mail to pdr@nrc.gov.

Dated at Rockville, Maryland, this 22nd day of August, 2006.

FOR THE NUCLEAR REGULATORY COMMISSION

/RA/

Douglas V. Pickett, Senior Project Manager
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Division of Operating Reactor Licensing
Office of Nuclear Reactor Regulation